

ACDA Processing Survey

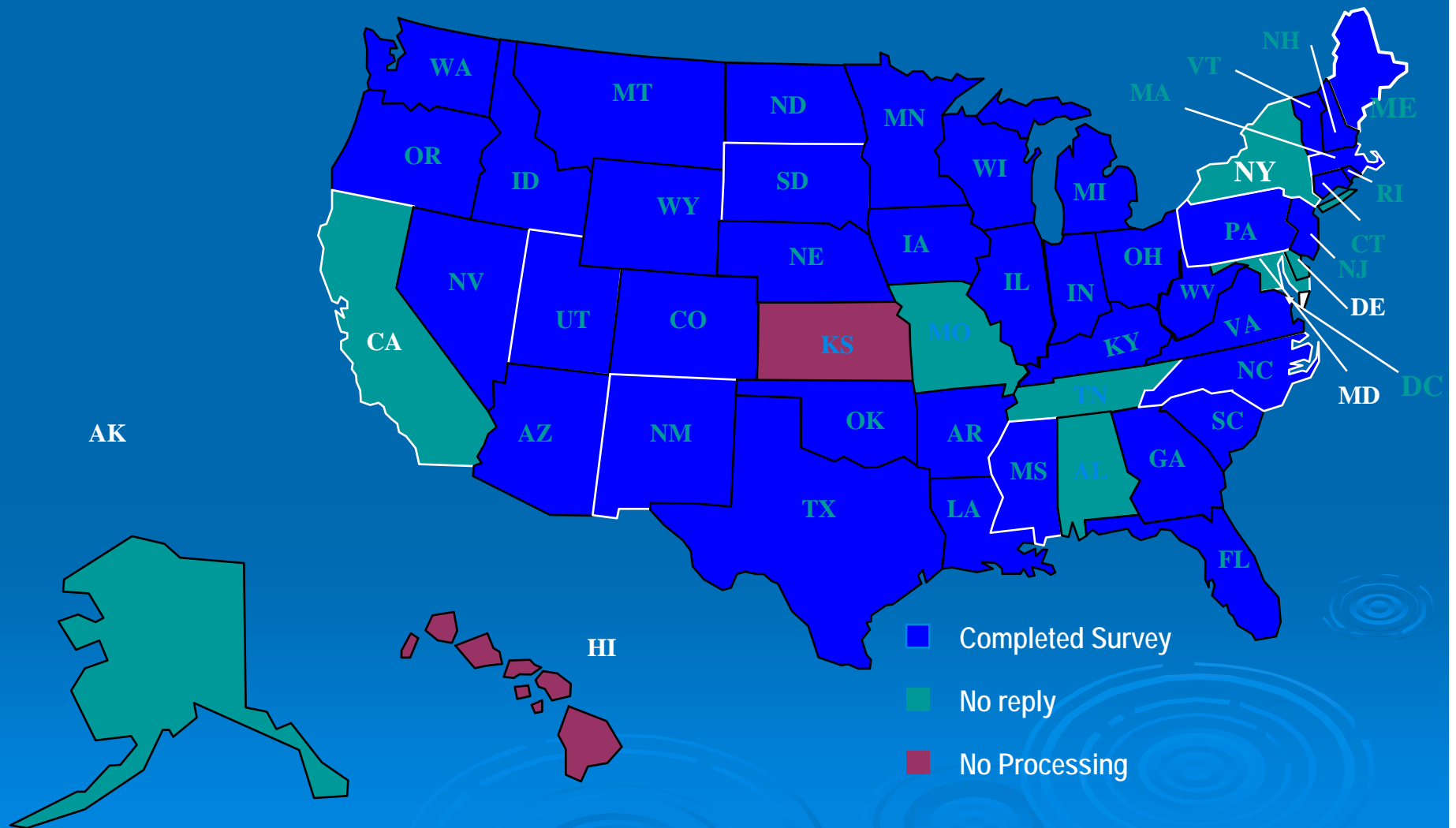
ACDA ANC – Denver, Colorado
April 2006

(Pertains to the 2004-05 SY)

What is the Processing Survey?

- To Improve Processing Program
- Began in 1996
- 5th ACDA Processing Survey
- Data collected every 2 years
- Sent to State Agencies during the Fall of 2005

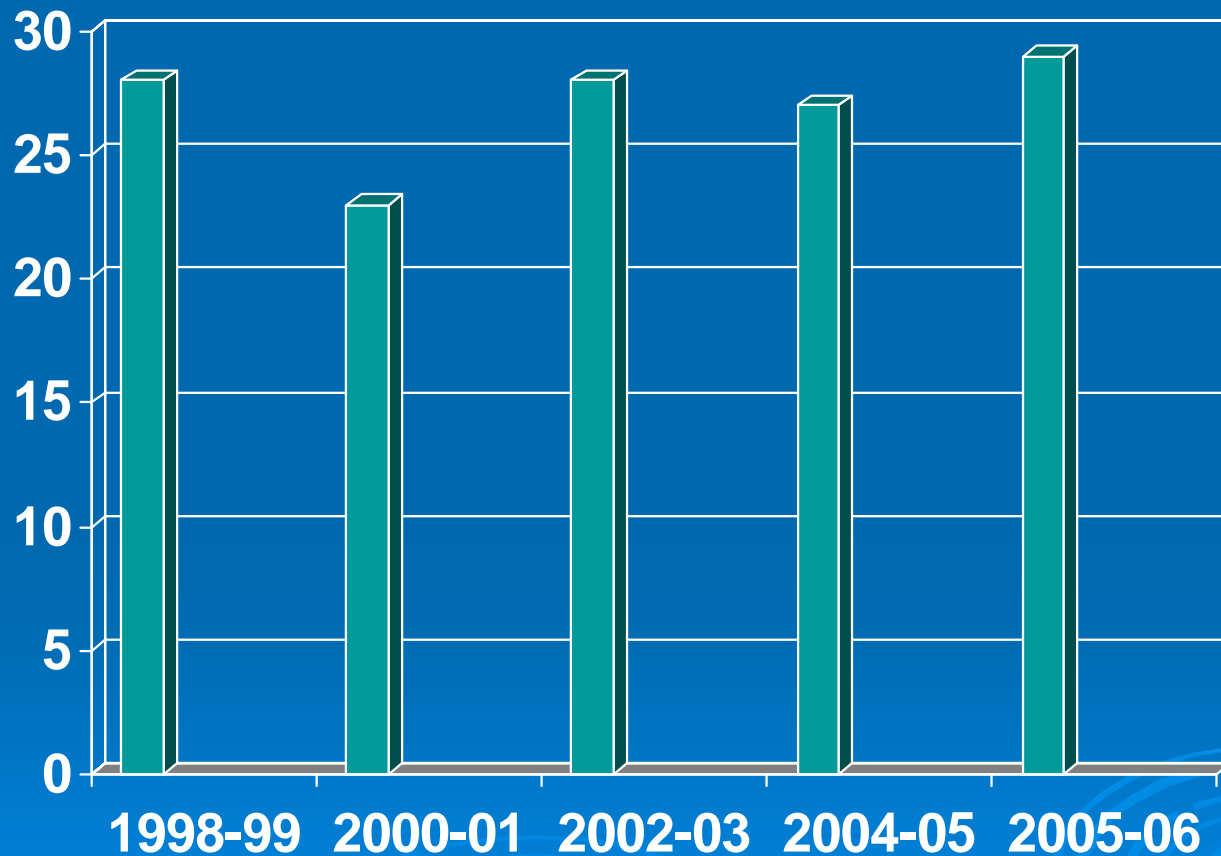
State Response to ACDA Survey



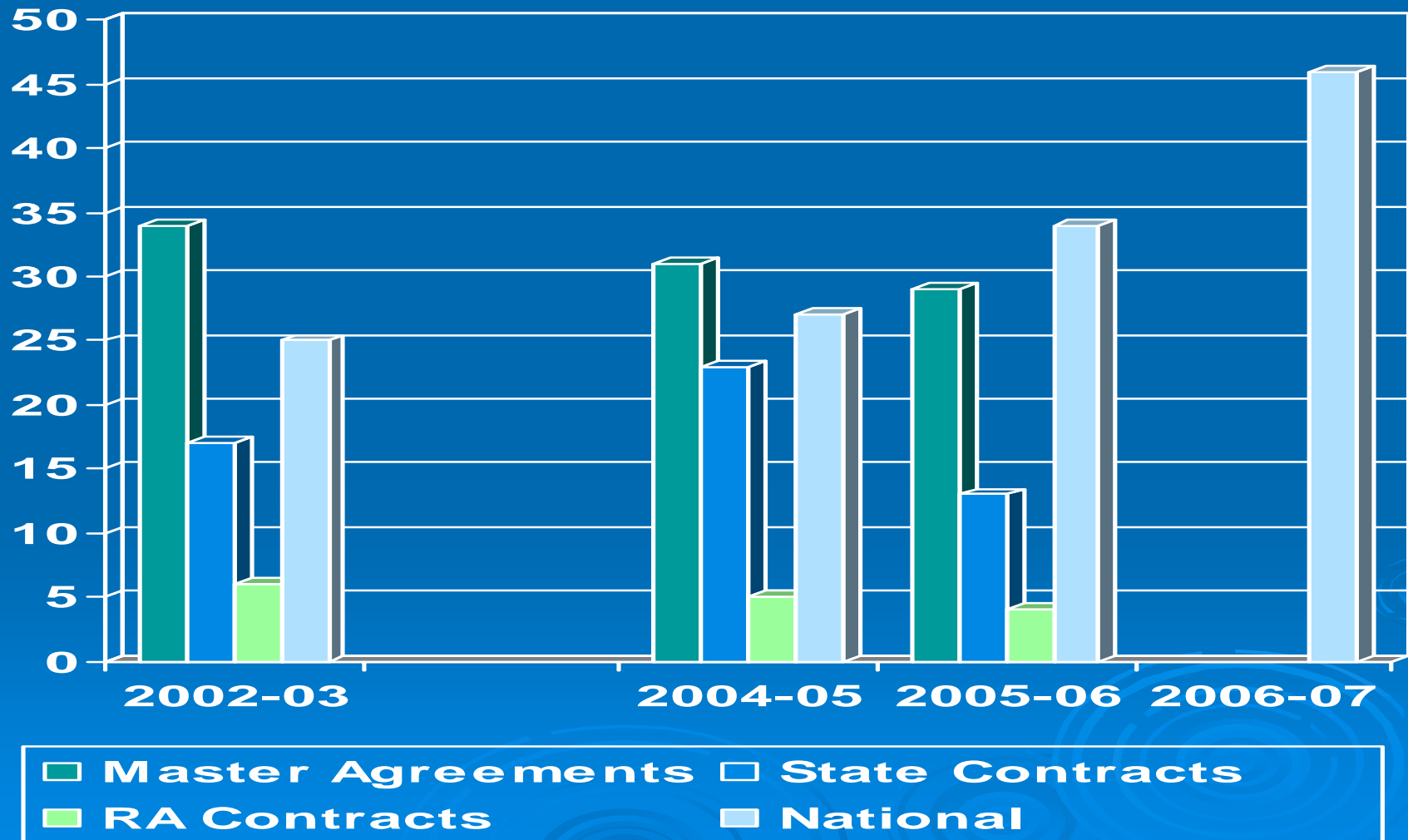
Processing Contracts

- Master Agreements
- State Contracts
- Recipient Agency Contracts
- National Processing Agreements

Average Number of Processing Contracts per state

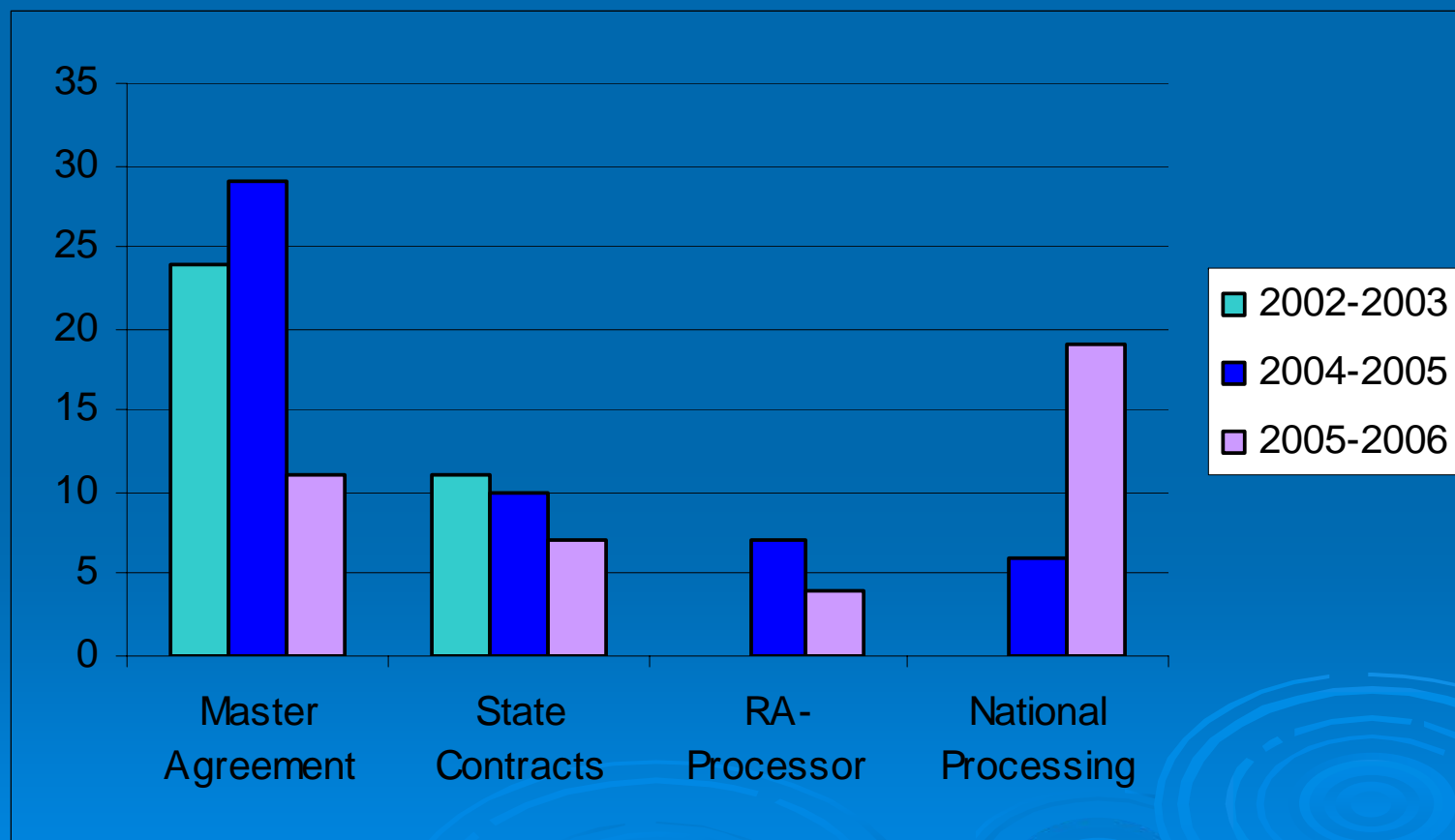


State use of different processing agreements



2002-2006

Average Number of Agreements



Reasons State Do Not Use National Processing Agreements

	2001-2003	2004-2005
Procedure Not Clear	5 States	4 States
Not Needed	10 States	3 States
Unable to Control Process	3 States	1 State
Does Not Meet State Requirements	8 States	2 States

Comments Regarding National Processing

- When all EPDS are on the NPA, we will participate.
- Do not see a benefit for the State. We are still required to operate under an RFP process.
- Some of the processors we purchase from are not yet on the list.
- Plan to participate in NPA for 2006-2007

Criteria used to approve processing contracts

- Marketability – 19
- Quality – 17
- Minimum Truckload – 17
- RAs, Advisory Council – 15
- Price – 14
- Yield – 12
- Bid 12
- “My Decision” – 6
- Co ops – 5
- Nutritional Data/CN labels – 4
- Processors’ Past Performance -1
- Processors’ Request - 2

CN Labeling and Nutritional Information

Require	1999	2001	2003	2005
CN Labeling	65%	47 %	42%	50%
Nutritional Information	95%	85%	78%	85%

Workshops/Exhibits

- 24 States or 58.54% have a commodity workshop or exhibit
- Average Number Days – 1.5
- Month Held
 - 11 held September through December
 - 6 held January through March
 - 4 held April – June
 - 2 July/August
 - 2 states indicated more than one exhibit per year

When States Send Contracts:

October, November, December – 3 states

January, February, March – 23 states

April, May – 10 states

Contracts Due to State Agency:

Dec., Jan., Feb., March – 12 states

April, May, June – 24 states

July – 1 state

No deadline – 1 state

States have difficulty getting processing contracts approved in time to meet the USDA April-May ordering deadline

1999	2001	2003	2005
39%	33%	28%	24%

Processing Contracts

Questions or Comments?

Paperwork



End Product Data Schedules

	2001-03	2004-05	2005-06
Total Number at State Level	15,555	15,189	5,176
Average per state	370	371	126
Most EPDS for one state	1000	1800	1052
Approved by USDA		~ 350 7 processors	~2800 66 processors

Summary End Product Data Schedules

		2004-05	2005-06
SEPDS approved by states		548	921
Range of end products per SEPDS		3-859	7-1752
Total EP on SEPDS		3543	10,934

Reconcile Meat and Poultry MPR with AMS Grading Certificates?

- 23 states or 56.10% indicated yes
- 15 states or 36.59% indicated no
- 3 non-responses

Are ACDA Prototypes used.....

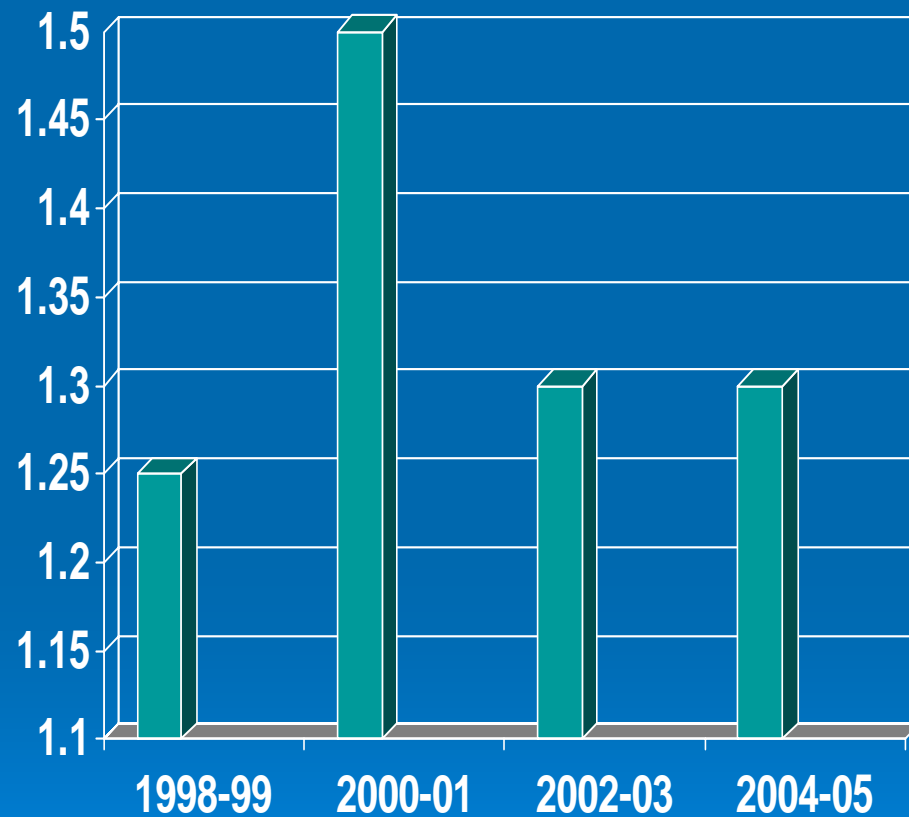
- Processing Agreement excluding #25 – 33 States or 80.48%
- Monthly Performance Report – 28 states
- EPDS – 36 states
- 22 States of 41 states responding indicated they use all 3 ACDA prototypes

Electronic Transfer

- 16 States (39%) use on-line or disk contracts (an increase of 16% since 2003)
- 13 states accept signed contracts
- 31 states accept EPDS
- 29 states accept SEPDS
- 34 states accept MPR

Staff Time

(Full time Equivalents)



Paperwork

Questions or comments?

Food Delivery Efficiencies

How Processors Receive Commodities

- Direct diversion used by 97.6%
- Direct diversion used 100% of time by 37.50% of SA
- Additional 50% use Direct diversion between 50-99% of time



Backhauling of Commodities

- Backhauling from State and/or Commercial Warehouses
 - used by 14 states (compared to 20 states in 2001-2003)
 - 13 of the 14 used backhauling for 5% of product
 - 1 State – backhauling 98%



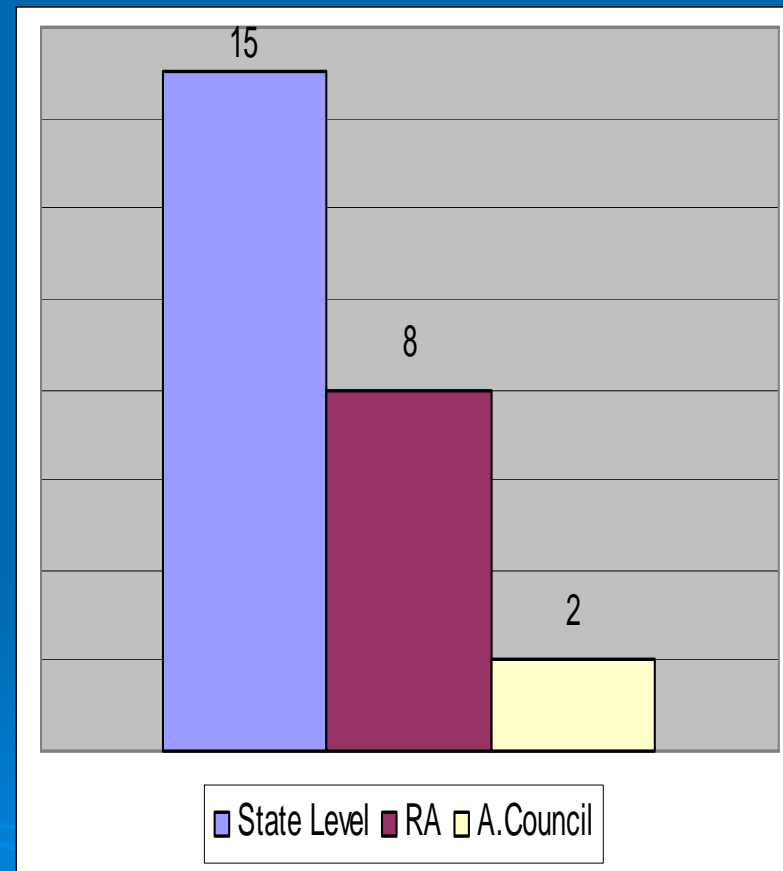
Backhauling of Commodities

- Backhauling from Recipient Agencies
 - Used by 19 of 40 states
 - All 19 (100%) used Backhauling from RA 5% or less (compared to 86% in 2001-2003)

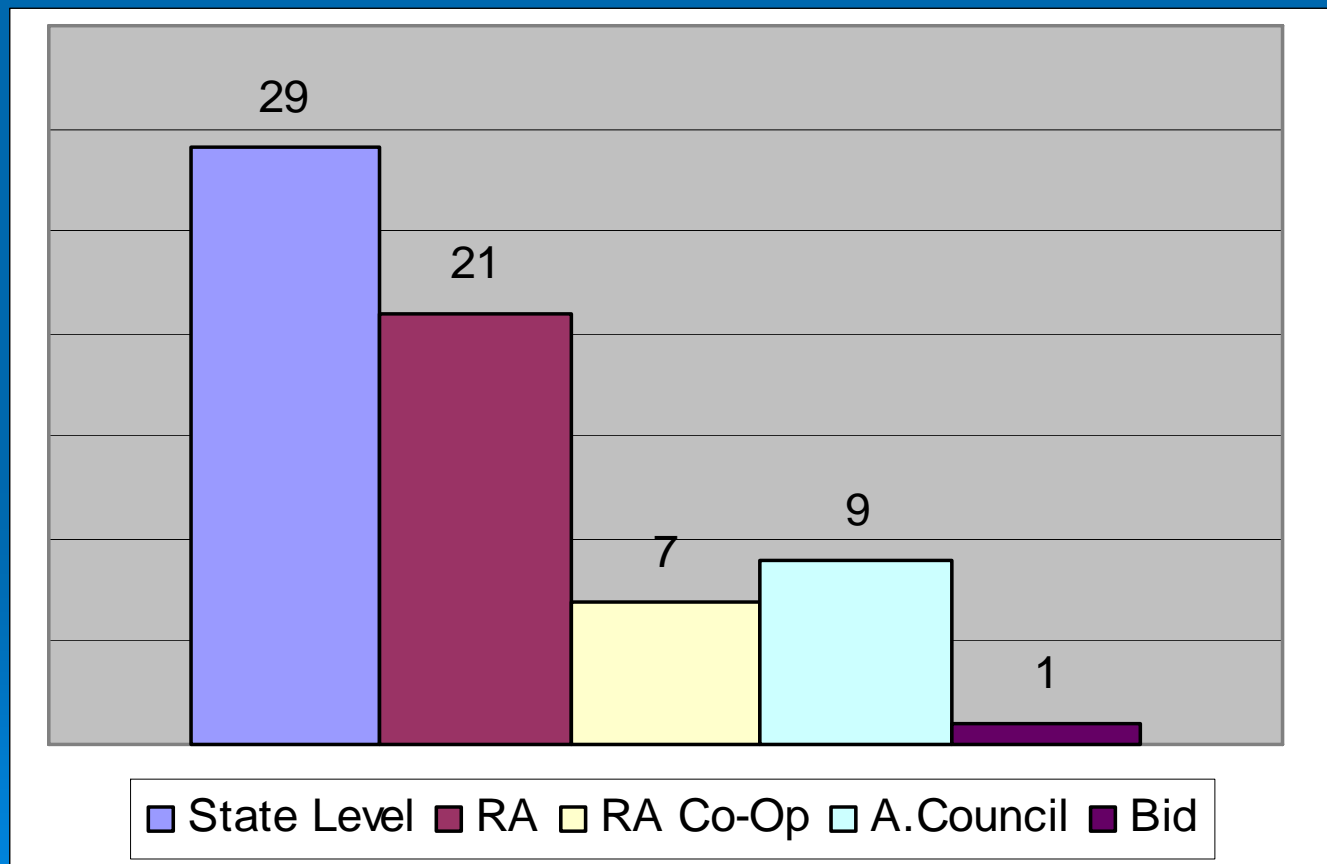


Single Factors in Determining Processors for Direct Shipments

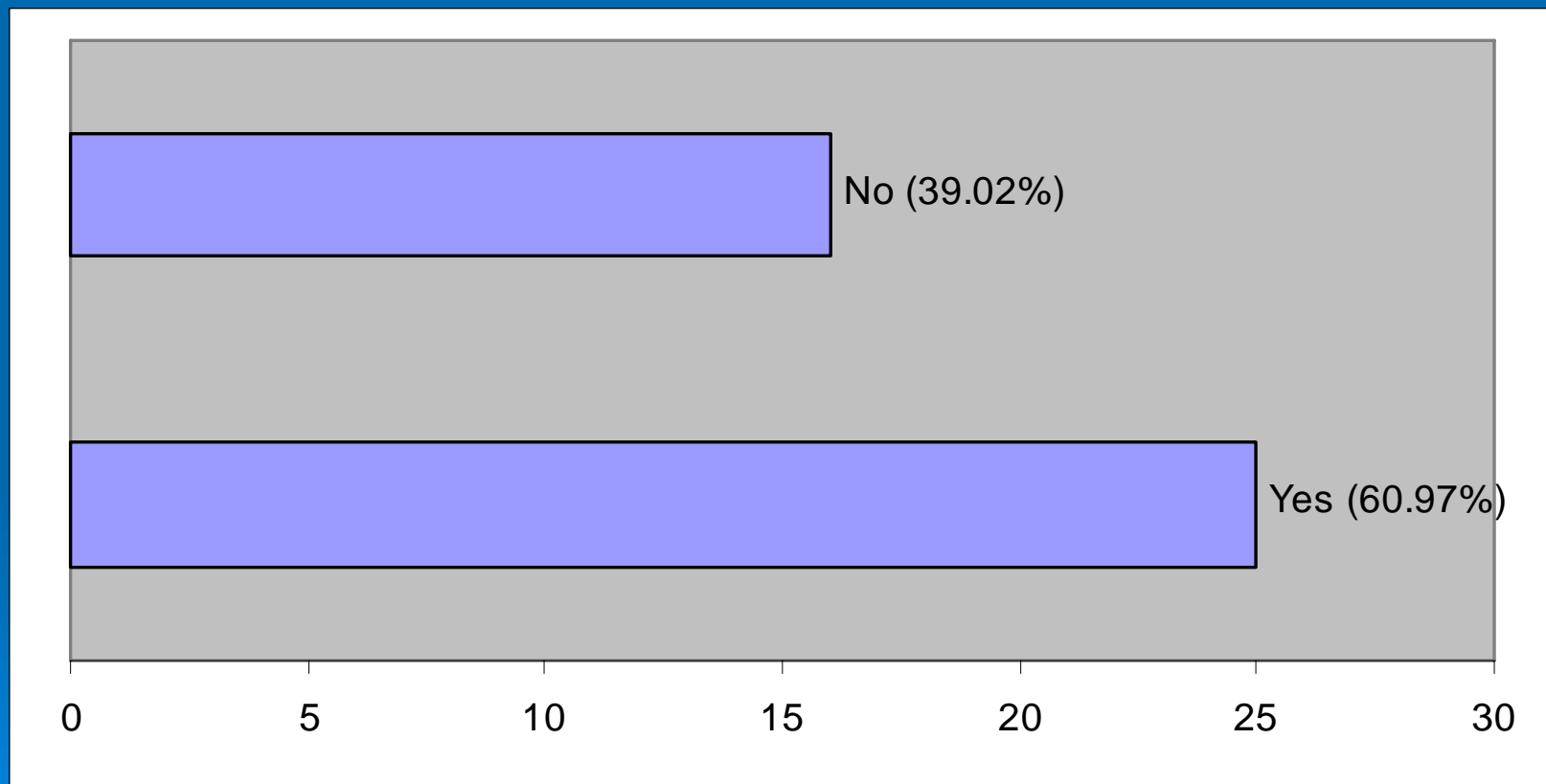
- 25 States or 60.97% use a single factor
 - 15 – State Level
 - 8 – Recipient Agency
 - 2 – Advisory Council



Determining Processors for Direct Shipment

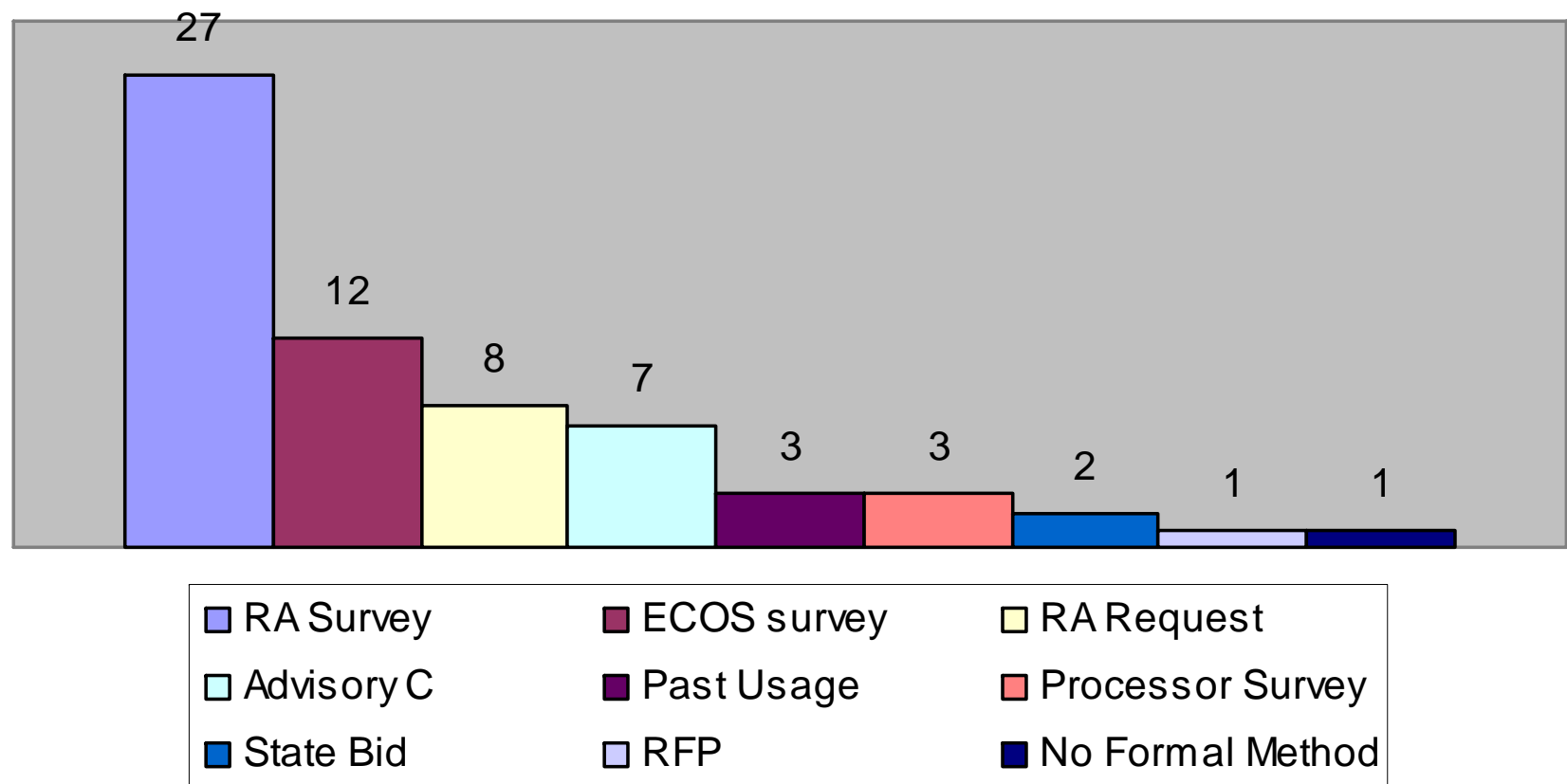


Do RAs Specify Bulk Direct Diversion Quantity?



How is Quantity to Processors Determined?

(17 States indicated two or more sources)



Distribution of End Products

- 27 Direct Shipment from Processor to RA
- 25 Commercial Distributor
- 23 State Warehouses
- 13 State contracted commercial Distributor

Distribution Preference

- 25 States indicated predominance of one distribution method
 - 11 (44%) – State Warehouse
 - 8 (32%) – State Contracted Commercial Distributors
 - 3 (12%) Direct Shipment from processor to RA
 - 2 (8%) Commercial Distributors
 - 1 state – no description

Was Your State Willing to Split Shipments with Other States?

- 31 of 40 states (77%) willing to split shipments (a decrease of 8% from 2003)
- 5 states (12%) seldom willing
- 4 States (10.0%) never willing to split a shipment (an increase of 10% from 2003)

Reasons for Not Being Able to Split Shipments

- Lack of Time – 15 states
- Lack of Info (ECOS) – 5 states
- Lack of USDA Regional support – 2 states

Tools that Facilitate Splitting Shipments

- Processors – 25 States
- Direct Contact w/ other states – 22 States
- ECOS – 12 States
- Contact with Brokers
- RAs networking with other states' RAs
- E-mails
- Processors Contacting Other States
- ACDA networking

Admin Fees - Four Year Comparison

Type of Fee	2001-2003	2001-2003	2004-2005	2004-2005
No Fee	29	67%	27	66%
Charge Schools	10	23%	13	32%
Charge Processors	3	7%	1	2%
Charge both Schools & Processors	1	0		0

Food Delivery Efficiencies

Questions and Comments?

Billing and Value Pass Through

Billing for Processing Costs

	2001-2003	2004-2005
Direct Bill from Processor	34	31
Billed by Distributor at Net Price	16	15
Billed by Distributor at Gross Price and RA applies for refund	15	17
Billed by State	12	13

Billing RA for Processing Costs

- 14 or 34.15% use only one type of billing
 - 8 Direct from Processor
 - 6 Billing by the States



Did your state conduct statewide bids for processed items?

- 14 states or 34.15% conducted statewide bids (an increase of 4% since 2003)
- 27 states or 65.86% do not conduct statewide bids

Bid Issue Dates

- December – February 7 States
- March – April 4 States
- Determined by State Purchasing – 1 state

Restrictions on Value Pass Through Systems

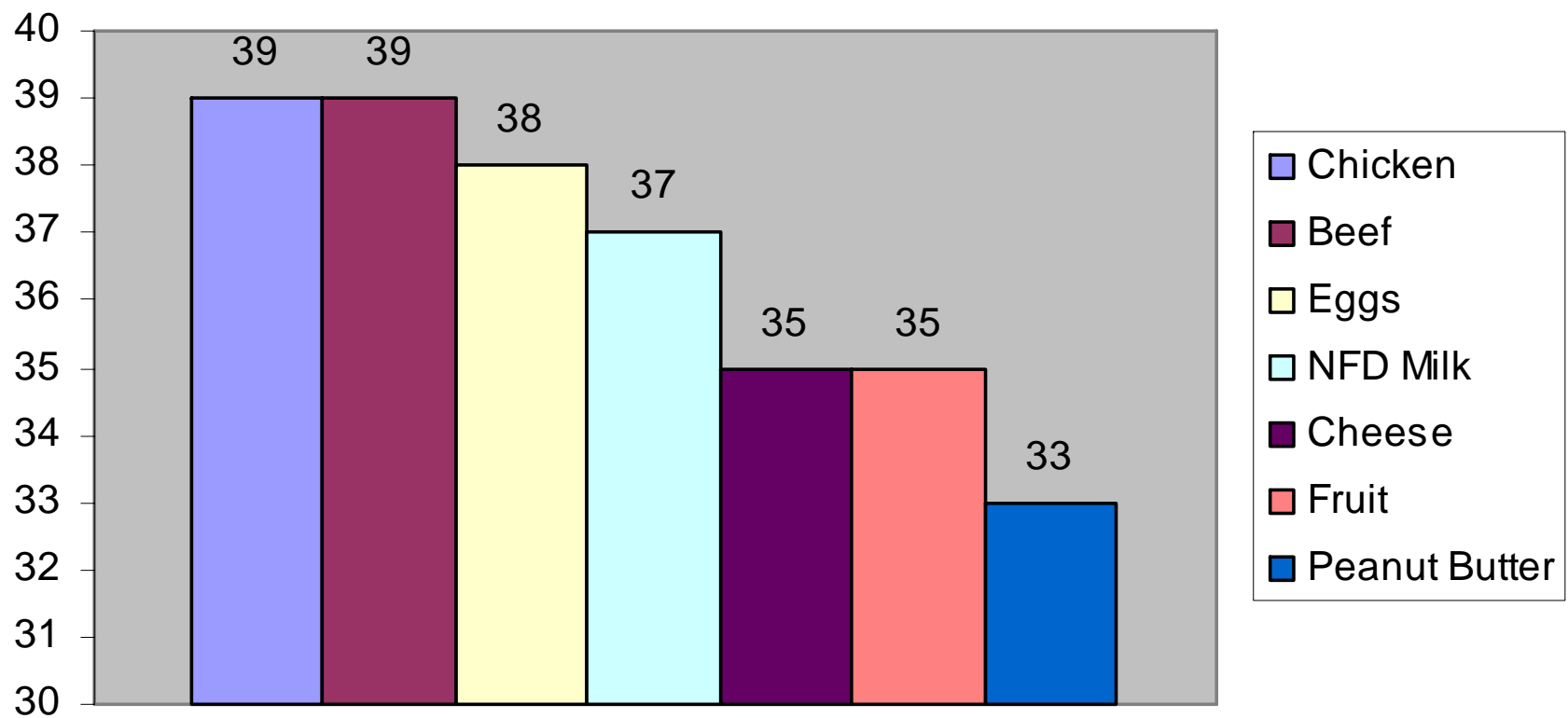
	2001-2003	2004-2005
<u>No</u> Restrictions	29 states	21 states
Indirect Sales – Net Off Invoice	13 states	17 states
Direct or Indirect Sale Refunds	8 states	14 states
Fee For Service		4 states

Restrictions on Value Pass Through

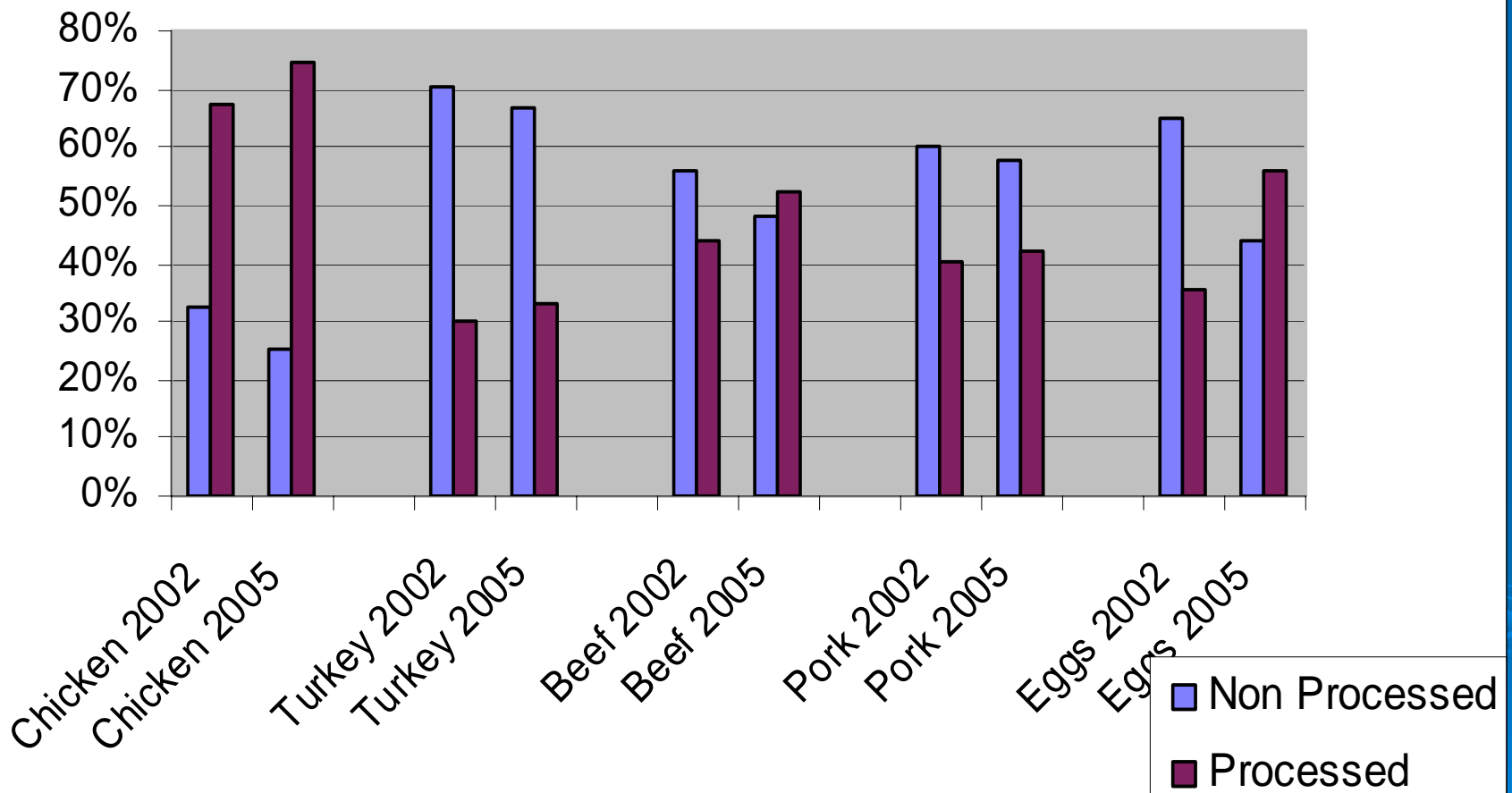
- 20 States restricted some type of Value Pass Through
 - 1 State restricted all 4 types
 - 3 states restricted 3 types
 - 6 states restricted 2 types
 - 10 states restricted 1 method

Commodities Processed

Commodities Processed



Processing Trends



Web Address



www.commodityfoods.org